

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF OVERTIME
AT THE
METROPOLITAN POLICE DEPARTMENT**



**CHARLES C. MADDOX, ESQ.
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



March 20, 2002

Charles H. Ramsey
Chief
Metropolitan Police Department
300 Indiana Avenue, N.W., Room 5080
Washington, D.C. 20001

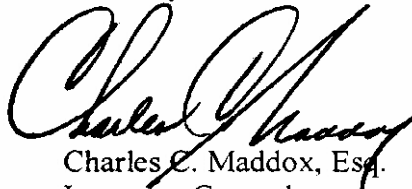
Dear Chief Ramsey:

Enclosed is our final report summarizing the results of the Office of the Inspector General's Audit of Overtime within the Metropolitan Police Department (OIG No. 01-2-17FA). The audit was conducted at the request of the District of Columbia Council Chairperson of the Committee on the Judiciary due to concerns over the continuing escalation of overtime expenditures within the MPD and the potential for abuse.

As a result of our audit, we directed seven recommendations to you that represent necessary actions to correct the described deficiencies. We want to acknowledge that MPD has reacted positively to our identification of issues that may help to reduce overtime, has taken actions to address recommendations made, and continues to make improvements in the management of overtime. We do request, however, that MPD provide the OIG with specific actions taken or planned relative to recommendation 4 of this report.

We appreciate the cooperation and courtesies extended to our staff during the audit. If you have questions, please feel free to call me at (202) 727-2540, or William J. DiVello, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,


Charles C. Maddox, Esq.
Inspector General

CCM/ws

Enclosure

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EXECUTIVE DIGEST

OVERVIEW

This report summarizes the Office of the Inspector General's (OIG) audit of overtime at the Metropolitan Police Department (MPD). The audit was conducted at the request of the District of Columbia Council Chairperson of the Committee on the Judiciary due to concerns over the continuing escalation of overtime expenditures within the MPD and the potential for abuse.

CONCLUSIONS

Our audit disclosed that overtime and compensatory time was adequately supported and properly calculated. However, we identified areas in which MPD could strengthen controls, which may help to reduce related costs. Specifically, MPD needs to:

- Make information technology (IT) enhancements in its Time and Attendance and Court Information System (TACIS) to automate and flag instances when overtime hours approach Fair Labor Standards Act (FLSA) limits;
- Make reports, by member, that include the number of hours worked for MPD and for external employers, available to supervisors to ensure hours worked are not excessive and that members adhere to guidelines for outside employment; and
- Document more fully worked performed while in an overtime status to supplement PD Form 1130.

MPD's annual overtime costs for fiscal years 1999 through July 28, 2001, averaged over \$20 million with some employees earning more than 100 percent of their base pay in overtime-related wages. Although our analysis of overtime practices of comparable police departments found that MPD's overtime practices were consistent with other policing departments, we did note one exception with MPD's court-related overtime. Specifically, MPD's percentage of court-related overtime to non-court-related overtime was 49 percent of the total reported overtime expenditures. Similarly populated police jurisdictions reported their percentage of court to non-court-related overtime expenditures within a range of 7 to 30 percent.

MPD's ability to monitor and manage court-related overtime has been negatively affected by insufficient staffing to monitor overtime and the removal of the Court Liaison Division (CLD) from the courthouse. These factors have lessened MPD's ability to oversee the numerous officers that come in and out of court each day. As a result, costs associated with court related overtime remain high.

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Based on discussions with all agencies involved, and results of past reports addressing this issue, we conclude that court overtime can be reduced through better trial scheduling by the District of Columbia Court System and further reduced through improved management and accountability of the MPD human and financial resources used by the USAO's Office.

Our review also revealed that TACIS did not have necessary edits or reporting mechanisms that could "flag," or alert when an employee's compensatory or overtime balances were approaching FLSA limits and whether FLSA limits had been exceeded by employees. Currently, the monitoring and verification of FLSA compensatory time is performed manually. The inability to effectively monitor compensatory overtime limits can result in lawsuits. Experience has shown that the District has paid negotiated settlements of more than \$1.5 million to MPD members. These settlements stemmed from alleged violations of FLSA in which MPD awarded compensatory time in lieu of paid overtime. In court cases, MPD police members accumulated compensatory time of more than the 480 hours allowed by the FLSA and were not timely paid for their accumulations in excess of 480 hours.

Additionally, controls used to monitor hours and track outside employment and related uniform maintenance allowances need improvement. Our audit revealed that Police District administrative officers were not monitoring the number of hours worked and MPD's Office of Human Services (OHS) was not taking corrective action against members who failed to submit quarterly reports of outside employment. As a result, there is limited assurance, for example, that a possible conflict of interest might go undetected relative to outside employment, without proper enforcement of MPD orders and policies. Hours worked in excess of a member's regular tour of duty may also affect the officer's ability to perform their duties in a satisfactory manner. Another concern is that the required uniform maintenance allowance could potentially have a fiscal impact on MPD if not monitored.

Finally, our review revealed that internal controls over access to TACIS were lax and documentation was not available to support the training of the majority of the TACIS users. The reasons for these deficiencies include a lack of procedures for the maintenance of user profiles and insufficient management oversight. As a result, unauthorized access to the system allows for the manipulation of data, and inadequate training prohibits the full use of all available data to properly manage and monitor overtime.

CORRECTIVE ACTIONS

We addressed recommendations to MPD that represent actions considered necessary to address the concerns described above. The recommendations, in part, center on:

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- Implementing policies that would require non-court overtime and compensatory time worked to be more clearly identified than that contained in PD Form 1130. Specifically, the support should identify what work the member performed and the associated cost benefit. Improved documentation should describe meetings and other collaborative efforts between MPD and the U.S. Attorneys Office (USAO) and describe court proceeding in which overtime or compensatory time was incurred.
- Ensuring that personnel comply with outside employment and uniform allowance requirements.
- Automating select features in TACIS, to include edit flags for persons reaching FLSA limitations.
- Training supervisors in the use of the TACIS system so that they can review overtime and compensatory hours worked to ensure hours are within budget constraints and not excessive.

On March 15, 2002, the MPD Chief of Police provided a formal response to the recommendations in the draft report. MPD concurred with the report, its conclusions and its recommendations. MPD provided details of actions taken and planned to address the recommendations and emphasized that they will continue to make improvements in the management of overtime. We also received comments to a draft of this report from the Chief Financial Officer (CFO) of MPD on March 18, 2002. In her response, the CFO stated that MPD is currently upgrading the court overtime reporting mechanism that interfaces with the Time and Attendance Information System (TACIS) to improve the monitoring of overtime. Additionally, the MPD Office of the Chief Financial Officer (OCFO) is ensuring that overtime reports are provided to Regional Operations Commands (ROC) Chiefs and Program Directors on a bi-weekly basis to aid in the monitoring and control of overtime. Lastly, the OCFO has recently completed an audit of TACIS training, user ID's, and related security controls. Findings identified mirrored those reported by the OIG. By July 1, 2002, the MPD will finalize standard operating procedures which address identified deficiencies. We consider MPD's comments and actions taken to be responsive to the audit recommendations. We do request, however, that MPD provide the OIG with specific actions taken or planned relative to recommendation 4 of this report. The complete text of both responses is included at Exhibits A and B respectively.

INTRODUCTION

This report summarizes the Office of the Inspector General's (OIG) audit of overtime at the Metropolitan Police Department (MPD). The audit was conducted at the request of the District of Columbia Council Chairperson of the Committee on the Judiciary due to concerns over the continuing escalation of overtime expenditures within the MPD and the potential for abuse.

BACKGROUND

The Metropolitan Police Department seeks to prevent crime and the fear of crime, and to work with others to build safe and healthy neighborhoods throughout the District of Columbia. MPD is working to achieve these goals through a community policing strategy called "Policing for Prevention." Policing for Prevention applies three approaches to crime and disorder. Used together, these approaches address immediate crime problems by focusing law enforcement efforts, building partnerships with community stakeholders to sustain success, and using the resources of government and other organizations to work on the underlying causes of crime in a community.

The District of Columbia has 83 Police Service Areas, 7 Police Districts, and 3 Regional Operations Commands. The Police Service Area is the smallest geographical subdivision of the city, and its size and shape usually follow neighborhood and natural boundaries. Every resident lives in a Police Service Area, and every Police Service Area has a team of police officers and officials assigned to it. The model, implemented in 1997, supports the Department's Policing for Prevention strategy.

MPD employs approximately 4,600 personnel, of which about 3,500 are sworn officers. The MPD fiscal year 2002 proposed operating budget for all funding sources is \$316 million, an increase of about \$9 million (3 percent), over the fiscal year 2001 approved budget. MPD spends approximately \$20 million annually on overtime but consistently exceeds its overtime budget.

MPD personnel incur overtime for court and non-court related purposes, and MPD further classifies its non-court hours as discretionary, reimbursable, and/or grant. Overtime costs and hours may be further grouped into more than 65 categories, such as court, homicide investigations, special events, holiday, traffic, Fair Labor Standards Act (FLSA), and call back.¹ The section following this **INTRODUCTION**, entitled **PERSPECTIVE** provides a more comprehensive explanation of MPD overtime classifications.

¹ Members earn call-back overtime when he/she is required to return to duty after being relieved of duty or while the member is off duty. It involves a break in service either before or after a tour of duty. The member will receive credit for no less than 2 hours of overtime in a call-back situation of less actual time.

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Police District timekeepers record employee hours in the Time and Attendance Court Information System (TACIS), which is MPD's time reporting system. At the end of each pay period, hours recorded in TACIS are transferred via magnetic tape to the MPD Payroll Office. Hours recorded for employees are matched against their respective pay schedules. The Payroll Office calculates and pays regular earnings and overtime amounts and accumulates hours earned for compensatory time.

CRITERIA

The FLSA of 1938, codified as amended, at 29 U.S.C. §201 *et seq.* provides for the establishment of fair labor standards in employments regarding maximum work periods and overtime compensation for employees.

The FLSA provides that employees are to receive overtime compensation at 1½ times their regular rate of pay for hours worked in excess of 40 hours in any workweek, or in the case of employees engaged in public safety, 1½ times their regular rate of pay for hours worked in excess of 171 hours in a 28-day work period.

Public safety employees may receive, in lieu of paid overtime compensation, compensatory time off at a rate not less than 1½ hours for each hour of employment. The FLSA further provides that, for employees engaged in public safety, the accrual limit for compensatory time off is 480 hours. Employees engaged in public safety who accrue 480 hours of compensatory time off shall be paid overtime compensation for any additional overtime hours worked.

MPD's General Order 206.1, dated November 5, 1978, and revised July 7, 1984, sets forth ways in which a member can earn paid overtime or compensatory time.²

Compensatory time will be credited for overtime hours that:

- Result from the first appearance in court or a quasi-judicial hearing on any case while in an off-duty status or on chargeable sick leave (unless the member is a defendant).
- Are incurred for periods of 30 minutes or more, which is a continuation of a regular tour of duty.

² This order provides for crediting compensatory overtime and paying for some overtime on an hour-for-hour basis, which is contrary to the FLSA. The FLSA requires crediting compensatory overtime and paying for overtime at 1½ hours for each hour of overtime worked. Nonetheless, MPD was appropriately following the FLSA.

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- Are incurred for periods for which the member elects (in writing) to accept compensatory time off in lieu of monetary compensation.

Monetary compensation is paid for overtime hours that:

- Result from second or subsequent appearances in any one case in court or quasi-judicial hearings, while in an off-duty status, or on chargeable sick leave (unless the member is a defendant).
- Are performed on an off-duty day that is not a continuation of a regular tour of duty.
- Are performed on an assignment designated by the Chief of Police as a “special event” or “special assignment” as defined in the overtime regulations.
- Are performed on a holiday beyond the regular tour of duty.

OBJECTIVES, SCOPE, AND METHODOLOGY

The overall audit objective was to determine whether overtime payments were supported and properly calculated. These objectives necessarily caused us to evaluate processes established by MPD to record, monitor, and manage overtime.

The audit generally covered the period October 1, 1998, to March 31, 2001. We expanded our review to include reports issued on overtime within MPD that dated back to 1995, and performed additional testing to cover transactions prior to and after that period to satisfy ourselves that processes were in place and operating as designed. Additionally, we reviewed overtime statistics and available reports prepared in calendar year 2001 to identify current overtime costs.

We reviewed and analyzed information from a number of sources relevant to a review of overtime at MPD. For example, the audit reviewed personnel and payroll policies and procedures as well as requirements established by the FLSA. The audit then evaluated management controls to ensure that practices complied with these internal policies, procedures, and legal requirements. The audit considered other reports that focused on overtime dating from calendar years 1995 to 2001, to identify previously reported issues. We reviewed the actions taken by MPD to address recommendations contained in those reports, including a report that the D.C. Council Committee on the Judiciary provided to us for follow-up.

We interviewed a number of personnel inside and outside MPD to obtain information. For example, we interviewed MPD management and staff from its Office of the Chief

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Financial Officer (OCFO) to determine what they believed the real processes to be for recording, monitoring, and controlling overtime. We also interviewed time and attendance personnel from three of the seven Police Districts to assess the adequacy of the internal controls relating to processing and approving overtime. We interviewed sworn officers and supervisors to gain an understanding of the overtime process and whether overtime policies and procedures were consistently communicated and applied. Additionally, we flow-charted the time and attendance (T&A) process to determine whether departmental forms and approval levels were consistent throughout MPD.

We solicited information on overtime expenditures, policies, and procedures from surrounding and like-sized police jurisdictions to identify cost savings initiatives and best practices. The audit included interviews with personnel at the United States Attorneys Office to gain a general understanding of existing overtime controls and the interrelationship with MPD.

The audit was conducted in accordance with generally accepted government auditing standards.

OTHER MATTERS OF INTEREST

During the course of the audit, it came to our attention that matters pending before the City Council have the potential to increase the amount of overtime incurred by District law enforcement agencies. Bill 14-2, the “Misdemeanor Jury Trial Act of 2001,” generally provides that certain defendants, who do not currently have the right to a jury trial, will be guaranteed the right to a jury trial by grouping misdemeanor offenses and the corresponding penalties, which result in fines or incarceration periods similar to those attached to felony offenses. The Bill does not require a jury trial for all defendants in all cases. We understand that the language is under revision and that the outcome of the Bill is uncertain.

While this report takes no position on the merits of the Bill, the potential for increased overtime costs needs to be brought to the attention of those concerned about increased overtime costs at MPD so that they are aware of factors that may mitigate MPD’s attempts to limit overtime costs.

MPD, in its October 14, 2001, testimony, before the Committee on the Judiciary stated, in part:

Broadening the circumstances under which offenders are entitled to jury trials in misdemeanor cases would place additional burdens on this department’s limited personnel and financial resources.

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During fiscal year October 2000 through September 2001 [fiscal year 2001], there were eighteen thousand seven hundred forty-two (18,742) appearances by MPD officers in misdemeanor trials. In the event that a defendant is entitled to a jury trial in many of these misdemeanor cases, there would be an even greater increase in the number of appearances by officers. This would also result in a greater increase in overtime expenditures, as many members must appear in court during off-duty hours. The substantial amount of money paid by the department in overtime, much of which includes court appearances, has been a topic of great concern in recent years.

MPD members usually receive court notices to appear at the beginning of a trial. However, they are often not called upon to testify on the first day. The amount of time an officer spends waiting in the courthouse increases significantly when a trial is by jury. In addition to making himself or herself available for testimony, the officer is usually required to be presented to the jury prior to the commencement of the trial, to ensure that he/she is unknown to the jurors. . . .

Recent studies have shown that jury trials, both civil and criminal, are roughly three times the length of non-jury trials. Non-jury trials result in quicker resolution of misdemeanor cases and free the courts to concentrate resources on cases involving more serious and violent crimes.

In closing, let me reiterate . . . [this bill] will have a negative impact upon the resources of the metropolitan police department.

Notwithstanding any intended benefits to a criminal defendant from the passage of this Bill, there is little doubt that increased access to jury trials has the potential to increase costs to the District in a number of areas, notably overtime for MPD, if not other law enforcement and other District agencies who fund court-related costs. The original Bill that MPD testified about has been revised with the result that fewer criminal defendants are likely to be entitled to a jury trial than in the original Bill. We obtained the Fiscal Impact Statement, current as of February 15, 2002, that accompanies the proposed legislation and which is based on a revision to the original Bill. This Statement concludes, “there will be no fiscal impact as a result of this legislation.” However, the actual fiscal impact on District agencies will depend upon the content of the final Bill.